

**TESTIMONY OF
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BEFORE THE
COMMITTEE ON ENVIRONMENT & PUBLIC WORKS
UNITED STATES SENATE**

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Good morning, Chairman Boxer and members of the Senate Committee on Environment and Public Works. I appreciate the opportunity to come before this Committee again to update you on the status of EPA's response to California's request for a waiver of preemption for its greenhouse gas motor vehicle emission standards. I also will address other recent developments regarding the Administration's efforts to address the long term challenge of global climate change.

I. The California Waiver Request

First, I want to clarify that EPA is following two separate tracks for the consideration of greenhouse gas regulations for motor vehicles. As I have previously indicated in Congressional testimony, EPA is working with its interagency partners to develop a proposed rule for the federal regulation of emissions of greenhouse gases from new motor vehicles. After considering public input through a notice and comment process, it is our intention to issue a final rule by the end of 2008. Separately, EPA is considering California's waiver request for its motor vehicle greenhouse gas regulation, under the statutory waiver authority provided in section 209 of the Clean Air Act.

With respect to the California waiver request, we have completed the public comment process required by the Clean Air Act. In addition to our normal practice of offering a public hearing in Washington, DC, which was held on May 22nd, at the request of the state, we held an additional hearing in Sacramento, California, on May 30th. We heard from over 80 individuals representing a broad scope of interests including States and local governments, public health and environmental organizations, academia, industry and citizens.

In our Notice announcing the public comment process we stated that the written comment period would close on June 15, 2007. We received requests to extend the deadline but did not do so. We received well over 60,000 comments. This is an unprecedented number of comments on a California waiver request. Parties commented on the three statutory waiver criteria as well as the additional three questions we raised in our April notice.

We are now examining the full range of technical and legal issues raised by the comments. Given the complexity of the issues presented in the California waiver request, EPA is devoting the necessary resources in order to expeditiously review the extensive comments we have received, and respond to the waiver request. The Agency is performing a rigorous analysis in order to properly consider the legal and technical issues that we must address in making a decision under the Clean Air Act waiver criteria. In recent written correspondence with California's Governor Schwarzenegger, I have

committed to issuing a decision on the waiver by the end of this year. We will continue to inform the Committee of our progress in this matter.

II. The “Twenty in Ten” Rulemaking Process

Earlier this year, the Administration sent Congress legislative proposals to achieve the “Twenty in Ten” plan. The plan would increase the supply of renewable and other alternative fuels by setting a mandatory fuels standard to require the equivalent of 35 billion gallons of renewable and other alternative fuels in 2017, nearly five times the 2012 Renewable Fuels Standard (RFS) mandate established by the Energy Policy Act of 2005. In 2017, this will displace 15 percent of projected annual gasoline use. This plan would replace the RFS in the year 2010, while retaining the flexible credit, banking, and trading mechanisms contained in the RFS. It would provide an accelerated schedule for alternative fuel requirements in the years 2010 to 2017.

The plan also would reform and modernize Corporate Average Fuel Economy (CAFE) standards for cars, and further increase the CAFE standards for light trucks. Fuel efficiency standards for cars would be increased substantially beginning in 2010, and for light trucks beginning in 2012. In 2017, we aim to reduce projected annual gasoline use by up to 8.5 billion gallons, a further 5 percent reduction that, in combination with increasing the supply of renewable and other alternative fuels, will bring the total reduction in projected annual gasoline use to 20 percent.

While the President continues to believe that effective legislation is the best approach to implementing his “Twenty In Ten” plan, he has directed EPA and our federal partners to work toward these goals now by developing regulations based on the framework of “Twenty in Ten”. The President has directed us to complete this regulatory process by the end of 2008. This is a very aggressive timeframe, but one that I am confident that my staff, working with our federal partners, can achieve.

EPA meets regularly with the Departments of Transportation, Energy, and Agriculture to ensure coordination of our work efforts. In addition, we are holding more than a dozen meetings with major stakeholder groups to ensure that they are involved in the process from the very beginning. We also have begun the analytical work necessary to establish standards that carefully consider science, available technologies, lead time, and vehicle safety while evaluating benefits and costs. As part of this process, we are working to identify the appropriate analytical resources that exist across the federal government to help EPA and other Departments and Agencies in their efforts to develop a rulemaking based on sound data and thorough technical analysis.

Any regulation of greenhouse gas emissions from new motor vehicles under Clean Air Act section 202(a) requires that EPA make a determination that emissions of greenhouse gases from new motor vehicles, primarily carbon dioxide emissions, cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. Section 211(c) of the Clean Air Act contains a similar standard with respect to motor vehicle fuels. We are therefore reviewing the most recent and robust scientific evidence

from the climate change research community, including EPA's own Global Change Research Program.

A substantial amount of work remains to determine the scope of our assessment. For example, EPA may need to consider a range of science and impact issues, such as the accumulation of greenhouse gas concentrations in the atmosphere; the observed trends in average global warming, projected sea level rise, and precipitation patterns; the attribution of these and other observed changes to emissions of carbon dioxide and other greenhouse gases from human activities; the impact of US greenhouse gas emissions on global CO₂ concentrations; the vulnerability of the natural environment, human health, and society to climate change; and the future projected effects within the U.S. under various projected rates of climate change over the course of this century. As directed by Executive Order 13432, EPA will coordinate with, and seek input from, climate change experts in other government agencies as well as the public.

When approaching the issue of greenhouse gas emissions estimates from the transportation sector, it should be recognized that 95 percent of such emissions consist of carbon dioxide, with the remaining 5 percent of emissions consisting of nitrous oxide and methane exhaust emissions and hydrofluorocarbons from air conditioners. In addressing greenhouse gas emissions from the transportation sector, one must recognize that on-board technology to control carbon dioxide emissions from vehicles does not currently exist, however carbon dioxide emissions from vehicles can be reduced by increasing their fuel economy. In addition, using a Department of Energy model, EPA analysis

conducted as part of the Renewable Fuel Standard shows that fuels such as cellulosic ethanol have the potential to offset lifecycle greenhouse gas emissions by over 90 percent when compared with gasoline derived from crude oil. Biodiesel can result in the displacement of nearly 68 percent of lifecycle greenhouse gas emissions relative to diesel made from petroleum. Increasing the use of such fuels in the transportation sector has the potential to make substantial reductions in greenhouse gas emissions. Increasing the fuel economy of a vehicle can also decrease greenhouse gas emissions.

III. A New International Framework on Energy Security and Climate Change

On May 31st, the President called upon the world's major economies to work together to develop a long term global goal to reduce greenhouse gas emissions. The President's plan recognizes that a new climate framework must be developed in a way that enhances energy security and promotes economic growth and includes both major developed and developing economies. This fall, the United States will convene the first of a series of meetings for the world's largest economies and energy consumers to advance and contribute to a new global agreement under the United Nations Framework Convention on Climate Change (UNFCCC). The participants in the framework will work together to develop a global emissions reduction goal, underpinned by national strategies and sectoral approaches that will set a practical, but flexible, path forward. The effort will build on the Asia Pacific Partnership on Clean Development and Climate and other partnerships to develop and implement clean energy technologies. We were pleased that

the major elements of the President's proposal were favorably received and incorporated into the leaders' statement at the recent meetings of the G8+5 in Germany a short time ago.

IV. Conclusion

Ms. Chairman, today I have outlined EPA's consideration of California's request for a waiver of preemption for its greenhouse gas motor vehicle emission standards, our "Twenty in Ten" legislative proposals, as well as recent developments regarding the Administration's efforts to address the important issue of global climate change. I look forward to working with you and other Members of the Committee on these challenging issues, and would be pleased to answer any questions that you might have. Thank you for the opportunity to testify.